

Message Text

LIMITED OFFICIAL USE

PAGE 01 WELLIN 00308 01 OF 02 280355Z

12

ACTION A-01

INFO OCT-01 EUR-08 EA-06 ISO-00 H-03 SS-07 NSC-06 /032 W

----- 058483

R 280302Z JAN 76

FM AMEMBASSY WELLINGTON

TO SECSTATE WASHDC 787

INFO AMEMBASSY CANBERRA

AMEMBASSY LONDON

CINCPAC

CINCPACFLT

CNO

DIA

LIMITED OFFICIAL USE SECTION 1 OF 2 WELLINGTON 0308

CINCPAC ALSO FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, MARR, NZ, OREP (HOLLINGS, ERNEST/GRIFFIN, ROBERT)

SUBJ: CODEL HOLLINGS/GRIFFIN MEETING WITH PRIME MINISTER MULDOON

AND DEPUTY PRIME MINISTER/FOREIGN MINISTER TALBOYS JAN. 14,
1976

IN ADDITION TO CODEL AND STAFF, MEETING WAS ATTENDED BY
FOREIGN SECRETARY CORNER, AMBASSADOR SELDEN AND POLITICAL
COUNSELOR BURNS. PRIME MINISTER MULDOON GAVE A LUNCHEON FOR
THE GROUP FOLLOWING THE MEETING.

1. PRIME MINISTER EXPRESSED APPRECIATION FOR VISIT OF SENATORS
AND MEMBERS OF HOUSE OF REPRESENTATIVES THAT WOULD FOLLOW LATER
IN THE DAY. HE SAID NEW ZEALAND'S INTEREST AS FAR AS RELATIONS
WITH U.S. WAS CONCERNED WAS TO BE COMPLETELY FRANK; FRANKNESS
CHARACTERIZED OUR RELATIONS. NEW ZEALAND HAD, IN NO PARTICULAR
ORDER, ITS CLOSEST RELATIONS WITH U.K., AUSTRALIA AND THE U.S.,
REGARDLESS OF THE GOVERNMENTS IN POWER. NEW ZEALAND
LOOKED ON THE U.S. AS THE BASTION AND LEADER OF
THE FREE WORLD. MULDOON DID NOT SEE THE U.S. ABDICATING
THAT ROLE, FOR CHAOS WOULD SURELY FOLLOW. HE DESCRIBED
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 WELLIN 00308 01 OF 02 280355Z

TIES WITH BRITAIN AS TRADITIONAL "BUT WE'RE NOT A BRITISH

COLONY"; WITH AUSTRALIA IN WAS MORE A BROTHERLY RELATIONSHIP. WHILE NEW ZEALAND HAD HAD TO TIGHTEN UP ON IMMIGRATION, FREE PASSAGE ACROSS THE TASMAN TO AUSTRALIA WOULD BE PROTECTED. THE NZAUS TREATY WAS THE MOST IMPORTANT NEW ZEALAND HAD; "IT IS THE BULWARK OF OUR SECURITY". HE QUICKLY ADDED THAT NEW ZEALAND'S TRADE TIES WITH THE U.S. WERE EXTREMELY IMPORTANT; FREE TRADE WAS NEW ZEALAND'S OBJECTIVE JUST AS IT WAS OF THE U.S. PRIME MINISTER THEN OBSERVED HIS NEW GOVERNMENT HAD FIRM OPINIONS AT THIS POINT RATHER THAN NEW POLICY DECISIONS SINCE IT HAD ONLY BEEN IN OFFICE ONE MONTH.

2. SENATOR HOLLINGS LAUDED THE HOSPITALITY SHOWN THE CODEL - "GREAT SOUTHERN HOSPITALITY" - AND THANKED SECRETARY OF FOREIGN AFFAIRS FRANK CORNER AND INTERNAL AFFAIRS ESCORT OFFICER TOM FOOTE FOR BEING SUCH FINE HOSTS. HE REMARKED THAT SOME OF OUR FRIENDS WANTED OUR NUCLEAR PROTECTION BUT DID NOT WANT TO PROVIDE PORT FACILITIES FOR OUR NUCLEAR VESSELS. ON NEW ZEALAND'S MEAT EXPORT SITUATION, HE FELT CODEL HAD GOTTEN GOOD APPRECIATION OF THE FACT THAT A SMALL INCREASE IN EXPORTS TO U.S. MEANT A LOT TO NEW ZEALAND. (PRIME MINISTER INJECTED THAT BEEF IS NEW ZEALAND'S "LIFE BLOOD" AND IT IS A TYPE OF BEEF WHICH DOES NOT COMPETE WITH U.S. GRADES.)

3. PRIME MINISTER MULDOON RESPONDED REGARDING NPW'S BY SAYING HIS GOVERNMENT CAN'T MAKE A COMMITMENT AT THE MOMENT BUT "WE'LL BE LESS DIFFICULT ON THIS"; NO POLICY DECISION HAD YET BEEN TAKEN BY THE FULL CABINET. (PRIME MINISTER THEN DIGRESSED BY DISCUSSING LABOUR PARTY'S IDENTIFICATION WITH "IDEALISM" AND NATIONAL'S WITH "REALISM", NOTING THE PARTIES IN FACT PRESENTED A MIXTURE OF BOTH.) MULDOON RECALLED HE HAD STATED NEW ZEALAND COULD NOT RELY ON U.S. FOR DEFENSE AND EXPECT IT TO EMPLOY ONLY WORLD WAR I RIFLES, PARTICULARLY WITH U.S. NAVY BECOMING INCREASINGLY NUCLEAR POWERED.

4. SENATOR BAKER, REFERRING TO HIS MEMBERSHIP ON THE JOINT ATOMIC ENERGY COMMITTEE, NOTED EXISTENCE OF THE HOSMER RESOLUTION. HE DID NOT THINK THE RISK (OF NUCLEAR LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 WELLIN 00308 01 OF 02 280355Z

ACCIDENT) WAS REAL. TALBOT'S INQUIRED IF THE HOSMER RESOLUTION WAS NOT "AUTHORIZING" LEGISLATION. SENATOR HOLLINGS RESPONDED THAT IT WAS, BUT THAT IN THE U.S. LEGISLATIVE/CONSTITUTIONAL SYSTEM, THERE WOULD AUTOMATICALLY BE FUNDS APPROPRIATED IF THERE EVER WERE A WELL FOUNDED NUCLEAR ACCIDENT CLAIM. PRIME MINISTER SAID THERE HAD BEEN PUBLIC DEBATE OF THE QUESTION, AND NO DOUBT THERE WOULD BE DEMONSTRATIONS IF AND WHEN AN NPW VISIT TAKES PLACE (HE

SUGGESTED LIGHTLY THAT THE FIRST SUCH VISIT MIGHT BE TO DUNEDIN IN THE WINTER: "IT'S A BIT COLD FOR PICKETING THEN"). PRIME MINISTER SATED HIS GOVERNMENT ACCEPTED THE SAFETY FACTOR WITHOUT RESERVATION.

5. TURNING TO THE SPNWFZ, MULDOON SAID HIS GOVERNMENT SAW THE IDEA AS UNREALISTIC. "LABOR WAS REACTING TO SOME PACIFIC ISLAND PRESSURES (PRIME MINISTER OBVIOUSLY MISINFORMED ON THIS POINT BY MFA, SINCE IT WAS LABOR GOVERNMENT INITIATIVE RATHER THAN "PRESSURES" FROM PACIFIC ISLAND NEIGHBORS). HOWEVER, WE WILL CONTINUE TO PRESS FOR NUCLEAR DISARMAMENT WORLDWIDE AND AGAINST FRENCH NUCLEAR TESTING IN THE PACIFIC."

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 WELLIN 00308 02 OF 02 280443Z

12

ACTION A-01

INFO OCT-01 EUR-08 EA-06 ISO-00 H-03 SS-07 NSC-06 /032 W
----- 059187

R 280302Z JAN 76
FM AMEMBASSY WELLINGTON
TO SECSTATE WASHDC 788
INFO AMEMBASSY CANBERRA
AMEMBASSY LONDON
CINCPAC
CINCPACFLT
CNO
DIA

LIMITED OFFICIAL USE SECTION 2 OF 2 WELLINGTON 0308

CINCPAC ALSO FOR POLAD

6. SENATOR GRIFFIN EXPRESSED INTEREST IN THE ECONOMIC SITUATION. PRIME MINISTER RESPONED NEW ZEALAND HAS FOUR MAIN PROBLEMS: (A) UNEMPLOYMENT IS EXTREMELY HIGH, THOUGH STATISTICS DO NOT REVEAL IT; DECEMBER 1975 FIGURES HIGHEST SINCE WWII; HE COULD NOT PREDICT WHAT FIGURES WOULD BE A YEAR FROM NOW. THE HUTT VALLEY (NEAR WELLINGTON) WAS THE ONLY AREA OF THE COUNTRY WITHOUT AN UNEMPLOYMENT PROBLEM. (B) INFLATION WAS 15

PERCENT PLUS AND RISING, WHILE THE OVERALL RATE FOR OECD COUNTRIES WAS FALLING. THE IMPORT PRICE INDEX ACCOUNTS FOR ABOUT HALF OF THE INFLATION. THERE WAS A PROBLEM WITH THE UNIONS ACCEPTING A STRINGENT WAGE ORDER. (C) NEW ZEALAND'S EXTERNAL BALANCE OF PAYMENTS WAS ABOUT THE WORST IN THE WORLD OF THOSE COUNTRIES MAINTAINING MEANINGFUL STATISTICS; ONLY IRELAND AND ISRAEL WERE WORSE OFF; NEW ZEALAND'S EXPORTS MUST BE INCREASED; THE EXTERNAL DEFICIT WAS HORRIFYING; NEW ZEALAND'S ANNUAL EXPORT INCOME WAS \$1.7 BILLION AND ITS ANNUAL DEFICIT IS \$1 BILLION. AND IT WAS NOT JUST AN OIL PROBLEM. (D) NEW ZEALAND HAD A MASSIVE INTERNAL DEFICIT. PRIME MINISTER CONTINUED THAT FORTUNATELY PUBLIC MORALE WAS GOOD. HOWEVER, STIMULATION OF THE ECONOMY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 WELLIN 00308 02 OF 02 280443Z

WAS NOT AN EASY THING BECAUSE OF ADVERSE CONSEQUENCES FOR BALANCE OF PAYMENTS, GOVERNMENT EXPENDITURES AND INFLATION.

7 TALBOYS NOTED AGRICULTURAL EXPORTS CONSTITUTE 80-85 PERCENT OF EXPORT INCOME, THE REMAINDER MAINLY FORESTRY PRODUCTS AND MANUFACTURED GOODS. HE THEN RETURNED TO THE THEME THAT OUR PEOPLES ARE BASICALLY THE SAME "BUT WE HAVE TO LIVE OFF THE BACK OF THE SHEEP AND THE COW, AND IT'S DAMNED UNCOMFORTABLE". NEW ZEALAND WAS TRYING TO DIVERSIFY AND EXPAND ITS MARKETS, E.G. JAPAN AND THE MIDDLE EAST. NEW ZEALAND'S ARGUMENT WITH THE U.S. WAS THAT ITS BEEF IS COMPLIMENTARY TO U.S. GRADES, I.E. NEW ZEALAND'S IS "COW BEEF" -- IT'S LEAN MEAT FOR THE U.S. MEAT TRADE TO MIX WITH AMERICAN BUTCHERED FAT TO PRODUCE HAMBURGERS. SENATOR CULVER NOTED THAT MEAT IMPORTS OF ANY KIND BECOME THE VILLIAN WHEN THE U.S. DOMESTIC INDUSTRY IS IN TROUBLE. (THE POINT WAS THEN MADE BY THE NEW ZEALAND SIDE THAT ONLY 480 TONS OF NEW ZEALAND BUTTER GO TO U.S. THE NEW ZEALAND SIDE ALSO NOTED THAT WHENEVER THE U.S. ADJUSTS ITS MEAT IMPORTS IT IS FIDDLING WITH NINE PERCENT OF NEW ZEALAND'S FOREIGN EXCHANGE EARNINGS, SINCE THAT IS WHAT NEW ZEALAND'S MEAT EXPORTS TO U.S. EARN.)

8. SENATOR BAKER ASKED ABOUT NEW ZEALAND'S GAS AND OIL SITUATION. PRIME MINISTER DESCRIBED SUBSTANTIAL OFFSHORE GAS DEPOSITS AND REFERRED TO TODD/BRITISH PETROLEUM EXPLORATION ASORE. NEW ZEALAND IS CONFIDENT THERE IS OIL OFFSHORE, BUT STILL HAS TO FIND IT IN COMMERCIALY VIABLE QUANTITIES. MULDOON NOTED THE BUNKER HUNT EFFORT OFF SOUTH ISLAND AND AN EXPLORATION DRILLING RIG IN HAWKE'S BAY. HE SAID THE MAUI GAS FIELD (OFF NEW PLYMOUTH) WAS A MAJOR BREAKTHROUGH AND WOULD BE USED FOR ELECTRICITY GENERATION. HOWEVER, THIS WOULD NOT SOLVE NEW ZEALAND'S ENERGY PROBLEM.

9. SENATOR CULVER ASKED TALBOYS ABOUT NATIONAL'S "FUTURES INSTITUTE". TALBOYS SAID IT WAS IN ITS INFANCY, BUT A CROSS-SECTION OF EXPERTISE WAS BEING SOUGHT, TO BE APPLIED TO SUCH LONG-TERM QUESTIONS AS CONSTRAINTS ON NEW ZEALAND AGRICULTURE AS RESULT OF THE FUEL PROBLEM, OR OF THE SHORTAGE OF PHOSPHATES; WHAT WERE NEW ZEALAND'S LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 WELLIN 00308 02 OF 02 280443Z

MARITIME RESOURCE POSSIBILITIES? WHAT ABOUT CRIME IN CITIES? TALBOYS LIKENED THE PROJECT TO THE SORT OF THINGS DONE BY THE RAND CORPORATION. SENATOR CULVER WONDERED IF VALUES PARTY HAD BEEN A STIMULUS IN THIS REGARD. TALBOYS RESPONDED THAT THEY HAD PLAYED THEIR PART, BUT THE CONCERN WAS UNIVERSAL. PRIME MINISTER INJECTED THAT TALBOYS WAS TOO MODEST. TALBOYS, MINISTER OF BROADCASTING HUGH TEMPLETON, AND OTHERS HAD DONE SOME REAL FORWARD THINKING. MULDOON SAID NEW ZEALAND WANTED TO LOOK TO THE TURN OF THE CENTURY, AND THAT BEING OUT OF OFFICE HAD GIVEN THE NATIONAL PARTY A CHANCE TO RE-THINK ITS POLICIES AND LOOK AHEAD TO 25 YEARS FROM NOW. SENATOR CULVER CONVEYED GREETINGS TO TALBOYS FROM TOFLER ("FUTURE SHOCK"), WHO CULVER SAID HAD GREAT REGARD FOR THE WORK BEING DONE IN THIS FIELD IN NEW ZEALAND. SELDEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976WELLIN00308
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760031-0988
From: WELLINGTON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760112/aaaaajum.tel
Line Count: 251
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION A
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 21 NOV 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 NOV 2003 by GarlanWA>; APPROVED <17 MAY 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CODEL HOLLINGS/GRIFFIN MEETING WITH PRIME MINISTER MULDOON AND DEPUTY PRIME MINISTER/FOREIGN MINISTER TALBOYS JAN. 14
TAGS: PFOR, MARR, OREP, NZ, (HOLLINGS, ERNEST), (GRIFFIN, ROBERT)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006